

FILED

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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

HALO MANAGEMENT, LLC,

Plaintiff,

v.

INTERLAND, INC.,

Defendant.

No. C-03-1106 MHP

MEMORANDUM AND ORDER
Motion for Summary Judgment

In March 2003, plaintiff Halo Management, LLC ("HM") brought this civil action against defendant Interland, Inc., seeking monetary and injunctive relief for alleged violations of federal trademark law, see 15 U.S.C. §§ 1114, 1125, and of California's Business and Professional Code. See Cal. Bus. & Prof. Code § 17203. On October 17, 2004, the court denied HM's motion for a preliminary injunction. Now before the court is Interland's motion for summary adjudication. The court has considered fully the parties' arguments, and for the reasons set forth below, the court rules as follows.

BACKGROUND¹

I. **Background Facts and the Parties' Relationship**

Founded as a sole proprietorship, HM is a small, privately-held limited liability corporation based in Los Altos, California. Focusing on internet-related services, HM offers email, web-search functions, and web-hosting to its list of subscribers and customers.² In late 1999, HM filed a United States trademark application for the word mark "HALO."³ By June 25, 2002, HM had registered the "HALO" mark,⁴ see Ashby Dec., Exh. 3, identifying two classes of relevant goods and services:

1 CLASS 038 – Electronic communication and commerce services, namely, electronic
2 transmission of voice, video, and data via computer terminals, electronic mail
3 services, providing on-line chat rooms for transmission of messages among computer
users in the field of business, legal, and intellectual asset management, and providing
multi-user access to a global computer network.

4 CLASS 042 – Providing a search engine for online searching and retrieving of
5 information on a global computer network; hosting the web sites of others on a
6 computer server for a global computer network; on-line, non-downloadable electronic
newsletters in the field of business, legal, and intellectual asset management; and
intellectual property consultation.

7 Id.

8 Interland, Inc. is a publicly-traded corporation, attracting customers through, *inter alia*, its
9 listing on the NASDAQ stock exchange. Like HM, Interland offers an array of internet-based
10 services to its subscribers and customers. As a part of its business practices, Interland employs the
11 web address “bluehalo.com,” often redirecting visitors to the “bluehalo.com” site to Interland’s
12 corporate homepage (“interland.com”). Interland also displays the symbol “blueHALO” prominently
13 throughout its corporate, sales, and marketing materials, often—if not uniformly—casting the mark
14 in the color blue.

15 After HM filed its 1999 trademark application for “HALO,”⁵ Interland filed an intent-to-use⁶
16 trademark application for the mark “blueHALO Architecture.” See Ashby Dec., Exh. 5 (dated June
17 13, 2002).⁷ Interland’s trademark application identified web-hosting as the service targeted by the
18 mark. The Patent & Trademark Office (“PTO”) rejected Interland’s “blueHALO Architecture”
19 application on March 7, 2003. See Ashby Dec., Exh. 6 (citing 15 U.S.C. section 1052(d) of the
20 Lanham Act in finding Interland’s proposed mark too likely to cause confusion, too likely to cause
21 mistake, or too likely to deceive). Interland filed a second trademark application a short time later.
22 In this second application, Interland substituted the phrase “and Design” for “Architecture,” seeking
23 to register the mark “blueHALO and Design.” See Ashby Dec., Exh. 7 (noting that the mark was
24 “lined” for the color blue). The PTO refused Interland’s second application, once again noting the
25 likelihood of confusion and the close affinity between the goods and services offered by the parties.
26 See Ashby Dec., Exh. 8.

1 Interland continued to employ the “blueHALO” moniker in its business ventures. HM
2 learned of Interland’s ongoing use in January 2003, and it promptly asked Interland to alter the mark
3 used in Interland’s web-hosting services. Interland confirmed receipt of HM’s initial query, but
4 Interland did not otherwise respond. Not until HM reiterated its request, in fact, did Interland
5 formally refuse HM’s demand. See Ashby Dec., Exh. 11. During this time, Interland continued to
6 use the “blueHALO” moniker in its press releases, denoting the term with a superscript “SM.” See,
7 e.g., Ashby Dec., Exh. 12. Interland also used the mark in combination with “shared” or
8 “Architecture,” rerouting all visitors to the “bluehalo.com” website directly to Interland’s corporate
9 homepage. See Ashby Dec. ¶ 9.

10
11 II. The Relevant Licence

12 On July 1, 2002, HM entered a “License, Consent to Use and Registration Agreement” with
13 Planet Halo, Inc., a California corporation. See Wargo Decl., Exh. B.⁸ Through this agreement, HM
14 granted Planet Halo a license to use HM’s mark—and “any eventual registrations based
15 thereon”—and invested Planet Halo with the right to “worldwide use and registration.” Id. When it
16 entered this license agreement, Planet Halo agreed only “to employ reasonable commercial efforts to
17 maintain the positive business value of the HALO mark.” Id. No explication of this provision is
18 provided in the agreement, and no express right to inspect or to supervise Planet Halo’s “efforts” is
19 provided. Id. (permitting either party to “assign th[e license] Agreement so long as any such
20 assignee agrees to the terms and conditions [t]herein”). In fact, the licensing agreement invests HM
21 with no express contractual right to inspect or to monitor Planet Halo’s use of the “HALO” mark.
22 See, e.g., Wargo Decl., Exh. A & B.

23
24 III. The Instant Litigation

25 HM filed this action on March 14, 2003. See Compl. at 1. On October 17, 2004, the court
26 denied HM’s motion for a preliminary injunctive relief, finding that HM had failed to satisfy either
27 portion of the relevant “sliding scale.” See Southwest Voter Registration Education Project v.
28 Shelley, 344 F.3d 914, 917 (9th Cir. 2003) (en banc; per curiam) (discussing the court’s

1 responsibility to consider the moving party's "likelihood of success on the merits," "the possibility of
2 irreparable injury," and the seriousness of "the questions" raised, and "the balance of hardships").
3 Interland has now moved for summary judgment, arguing that HM abandoned its rights in the
4 relevant mark and, in so doing, forfeited all of the claims—federal and state—it attempts to bring
5 here.

6
7 LEGAL STANDARD

8 Under Federal Rule of Civil Procedure 56, summary judgment shall be granted "against a
9 party who fails to make a showing sufficient to establish the existence of an element essential to that
10 party's case, and on which that party will bear the burden of proof at trial . . . since a complete failure
11 of proof concerning an essential element of the nonmoving party's case necessarily renders all other
12 facts immaterial." Celotex Corp. v. Catrett, 477 U.S. 317, 322–23 (1986); Fed. R. Civ. P. 56(c).
13 When making a summary judgment motion, the moving party bears the initial burden of identifying
14 those portions of the record that demonstrate the absence of a genuine issue of material fact. To
15 discharge this burden, the moving party must show that the nonmoving party has failed to disclose
16 the existence of any "significant probative evidence tending to support the complaint." First Nat'l
17 Bank v. Cities Serv. Co., 391 U.S. 253, 290 (1968). If the moving party satisfies this initial hurdle,
18 the burden then shifts to the nonmoving party to "go beyond the pleadings, and by her own
19 affidavits, or by the 'depositions, answers to interrogatories, and admissions on file,' designate
20 'specific facts showing that there is a genuine issue for trial.'" Celotex Corp., 477 U.S. at 324
21 (citations omitted).

22 Not all disputes that arise in the course of litigation constitute genuine issues of material fact.
23 A dispute about a material fact is genuine—and thus adequate to survive a motion for summary
24 judgment—"if the evidence is such that a reasonable jury could return a verdict for the nonmoving
25 party." Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). Mere allegations or
26 unsubstantiated denials do not, without more, generate a genuine issue of material fact. See
27 Gasaway v. Northwestern Mut. Life Ins. Co., 26 F.3d 957, 960 (9th Cir. 1994). When considering
28 motions for summary judgment, the court views the facts—and the inferences drawn therefrom—in

the light most favorable to the party opposing the motion. See T.W. Elec. Serv., Inc. v. Pacific Elec. Contractor's Ass'n, 809 F.2d 626, 631 (9th Cir. 1987). In this process, the court does not make credibility determinations. See Anderson, 477 U.S. at 249.

DISCUSSION

The core issue before the court is whether HM abandoned its "HALO" trademark by entering into a "naked license." The Ninth Circuit has defined "naked licenses" as those licenses that "fail[] to exercise adequate quality control over the licensee." Barcamerica Int'l USA Trust v. Tyfield Importers, Inc., 289 F.3d 589, 595–96 (9th Cir. 2002) (citing Moore Bus. Forms, Inc. v. Ryu, 960 F.2d 486, 489 (5th Cir. 1992)); see also McCarthy on Trademarks and Unfair Competition § 17:6, at 17-9 (4th ed. 2003) ("Licensing a mark without adequate control over the quality of the goods or services sold under the mark by the licensee may cause the mark to lose its significance as a symbol of equal quality—hence, abandonment."). Where a "trademark holder engages in naked licensing, without any quality control over the quality of goods produced by the licensee, such a practice is inherently deceptive." See First Interstate Bancorp v. Stenquist, 1990 WL 300321, at *3 (N.D. Ca. 1990) (Patel, J.).⁹ Failure to exercise "adequate quality control" constitutes "abandonment" of a mark—i.e., a "purely [] involuntary forfeiture of trademark rights" that does not demand evidence of "any subjective intent to abandon the mark." Id. (quoting McCarthy § 18:48 at 18-76–18-78). Once a trademark holder enters a "naked license"—that is, once a holder "abandons the trademark"—the holder is "estopped from asserting rights [related] to [that] mark." Id. (quoting Moore, 960 F.2d at 489).

As the court noted in its preliminary injunction order, a party must satisfy a "stringent standard" of proof when asserting that a trademark holder entered into a "naked license." Id. (quoting Moore, 960 F.2d at 489); see also Creative Gifts, Inc. v. UFO, 235 F.3d 540, 548–548 (10th Cir. 2000) ("Because naked licensing if established is treated as an abandonment of the trademark, which triggers the loss of trademark rights against the world, anyone attempting to show such abandonment via naked licensing faces a stringent burden of proof.") (citing Moore, 960 F.2d at 489, and Taco Cabana Int'l, Inc. v. Two Pesos, Inc., 932 F.2d 1113, 1121 (5th Cir. 1991), aff'd, 505 U.S. 763 (1992)). The court found that Interland met that "stringent" standard for the purposes of HM's request for a preliminary injunction. And while the motion for summary adjudication asks a

1 different question than did the request for preliminary injunctive relief—viz., whether there is a
2 genuine issue of material fact, not whether HM demonstrated a probability of success on the
3 merits—Interland nevertheless meets its “stringent” standard of proof here.

4 On July 31, 2002, HM granted Planet Halo a license¹⁰ for “worldwide use and registration” of
5 HM’s mark and “any eventual registrations based thereon.” See Wargo Decl., Exh. B. No explicit
6 or definite quality control terms appear anywhere in the two-page licensing agreement; no objective,
7 enforceable terms guide (or limit) Planet Halo’s use of the mark. Id. Instead, the agreement requires
8 Planet Halo only to do (at most) three things: one, “to employ reasonable commercial efforts to
9 maintain the positive business value of the HALO mark”; two, to limit mark use to that
10 “substantially as shown in the pending applications and with services substantially as recited”; and,
11 three, to cooperate with HM to “mitigate the confusion or likelihood of confusion between the
12 parties’ respective marks.” See Ashby Decl., Exh. B. None of these requirements—nor the three
13 taken together—place any distinct or cognizable restriction on the quality of goods Planet Halo may
14 produce or distribute under the mark. In fact, all of these putative “quality control” terms prove
15 inherently amorphous, both in obligation and in effect—and all remain wholly undefined in the
16 agreement. Id. Under the terms of the licensing agreement, in fact, HM retains no express
17 contractual right to inspect or to supervise Planet Halo’s conduct. HM lacks even the ability to
18 terminate the license should Planet Halo derogate its supposed “quality” or “value” obligations. See
19 Barcamerica, 289 F.3d at 595–96.¹¹ By its own terms, then, the licensing agreement between HM
20 and Planet Halo was a “naked” one.

21 As the Ninth Circuit has noted, of course, “[t]he lack of an express contract right to inspect
22 and [to] supervise a licensee’s operation is not conclusive evidence of lack of control.” Id. at 596
23 (noting that where circumstances informing or surrounding the “licensing arrangement [indicate] that
24 the public will not be deceived,” the lack of a formal quality control provision does not automatically
25 divest a trademark holder of protection) (citation omitted). But HM’s *conduct* also confirms that
26 HM relinquished—and otherwise failed to maintain—adequate quality control. Id. From the
27 beginning, HM’s interaction with Planet Halo was acrimonious,¹² marked by HM’s intent to *divest*
28 itself of control of the germane mark, not to maintain it. HM’s initial contact (via email) with Planet
Halo was adversarial in nature, as HM immediately accused Planet Halo of infringing HM’s mark.
See Wargo Decl., Exh. B. Planet Halo disagreed with HM’s charge, but HM persisted, sending
Planet Halo a number of additional emails discussing a supposedly “self-evident” conflict. See id.

1 Planet Halo continued to dispute HM's claims, but it entered the licensing agreement nonetheless,
2 hoping to *end* the supposed relationship with HM, not to solidify it. See Wargo Decl., Exh. A
3 (Angell Depo.) (noting that, through this "deal with the devil," Planet Halo hoped to "move on" at
4 less cost than "hiring a lawyer"). No ongoing "working relationship" existed or developed between
5 HM and Planet Halo, and little additional interaction occurred. Id. (noting, *inter alia*, that Planet
6 Halo "didn't have a relationship" with HM, that the two entities were not "in any way related or
7 affiliated," and that the two "never had a working relationship").¹³ In fact, all Planet Halo ever sent
8 to HM was a single set of marketing materials; no updates on these materials followed, and no
9 "product" was ever reviewed. See Angell Depo., at 42:21–43:8 (noting that the transmission of one
10 "marketing package" was "all" that the agreement—and, specifically, the "reasonable commercial
efforts" term—contemplated).¹⁴

11 At oral argument plaintiff made much of the fact that, of course, there had been no visits to
12 Planet Halo's plant or other facility, because the model, a picture of which was displayed at the
13 hearing and contained in an exhibit, was a only a prototype. However, despite demonstrations to
14 potential manufacturers and purchasers, plaintiff had never been consulted about demonstrations or
15 about particular manufacturers nor even inquired about them. Also, Planet Halo never sought
16 plaintiff's permission or guidance on such activities.

17 Indeed, nothing in the record suggests that HM was remotely interested in any of these
18 activities and there is nothing in the record to show that Planet Halo was familiar with HM's internal
19 quality control efforts. Id. Nor does anything in the record indicate that HM had (or sought) any
20 information about Planet Halo's own quality control methods, either. Id. A studied myopia or
21 blindness appears to have guided these parties in their dealings. The deposition testimony of Marc
22 Angell, Planet Halo's CEO, puts it succinctly: Planet Halo entered a "bogus deal . . . with the devil"
23 so that it could "move on"; Planet Halo permitted HM no access to any of its facilities; Planet Halo
24 had no discussion of—nor understood the thrust of—any of the supposed "quality control" terms in
25 the licensing agreement; Planet Halo angrily rebuffed HM's few attempts to inspect Planet Halo's
26 "facilities and books and records"; Planet Halo had "no plans, then, now or in the future, to give"
27 HM the right to inspect or to confirm Planet Halo's operations; and Planet Halo emphatically denied
28 any suggestion of HM "control," however minute, calling such claims "absurd." See id. At most,
the record suggests that Planet Halo entered the licensing agreement so that it might forfend
additional contact with HM. Id. (assuring that Planet Halo "absolutely [would] not" have entered

1 into the license agreement had it believed HM had any supervisory or monitoring rights); see
2 Stanfield v. Osborne Industries, Inc., 52 F.3d 867, 872 (10th Cir. 1995) (“[T]he parties have had no
3 contact with each other except as adversaries.”). No legitimate efforts to control quality occurred.

4 To be sure, as a part of its opposition to Interland’s motion for summary adjudication, HM
5 adduces three new declarations—one from a supposed “expert,” one from Planet Halo’s CEO, and
6 one from Ashby himself. See Pl.’s Opp., Decls. of Franklyn, Angell, and Ashby. Each of these
7 declarations conclude—in nearly identical language—that Planet Halo and HM were somehow
8 “working together,” that the licensing agreement was “sufficiently definite” to be enforceable, and
9 that HM was involved in “periodic” review of Planet Halo’s efforts. See id. But each of these
10 declarations confuse untenable, self-serving, and impressionistic conclusions of *law* for legitimate
11 assertions of material *fact*. See United States v Shumway, 199 F.3d 1093, 1104 (9th Cir. 1999). In
12 fact, none of the three declarations contains relevant, material facts; instead, the declarations recite
13 legal conclusions and attempt to recast facts already found by this court. See Decls. of Ashby,
14 Angell, and Franklyn. This does not satisfy Rule 56’s standard—especially where a declarant’s
15 conclusions contradict his own *deposition* testimony, and especially where an “expert” merely signs
16 a declaration rife with unvarnished legal conclusions that echo (identically) what the benefitting
17 party himself has said. See Scamihorn v. General Truck Drivers, 282 F.3d 1078, 1086 (9th Cir.
18 2002) (“As a general rule, an affidavit submitted in response to a motion for summary judgment
19 which contradicts earlier sworn testimony without explanation of the difference does not
20 automatically create a genuine issue of material fact.”) (citing Kennedy v. Allied Mut. Ins. Co., 952
21 F.2d 262, 266 (9th Cir. 1991)); Aguilar v. Int’l Longshoremen’s Union, 966 F.2d 443, 447 (9th Cir.
22 1992) (discussing improper “expert” testimony); see also Fed. R. Evid. 702 & 704.

21 The court is mindful of the fact “that a statement is self-serving [may] bear[] on its
22 credibility, not on its cognizability for purposes of establishing a genuine issue of material fact.”
23 Lucas Auto. Eng’g, Inc. v. Bridgestone/Firestone, Inc., 275 F.3d 762, 768 (9th Cir. 2001); Fed. R.
24 Civ. P. 56(e). But the court is likewise mindful that interested parties cannot concoct genuine issues
25 of material fact simply by submitting strategically-worded—and unsupported—conclusions of law in
26 the form of declarations. See Shumway, 199 F.3d at 1104 (“If the affidavit stated only conclusions, .
27 . . then it would be too conclusory to be cognizable . . .”). All three declarations—Franklyn’s
28 “expert” opinions, Angell’s contradictory (i.e., “sham”¹⁵) declaration, and Ashby’s legal
assertions—provide little more than a list of self-serving legal conclusions, not facts. And all three

1 hope to cure a naked license by reciting terms no less indefinite than those in the license itself. See,
2 e.g., Decs. of Franklyn & Ashby (suggesting that “reasonable commercial efforts” is sufficiently
3 clear because it demands Planet Halo to “uphold the stature of the mark” and to “maintain a
4 respectable integrity”). Such declarations do not, without more, overcome a motion for summary
5 judgment.¹⁶ See, e.g., A&M Records, Inc. v. Napster, Inc., 2000 WL 1170106, at *8 (N.D. Ca. 2000)
6 (finding that a law professor’s report was inadmissible vis-a-vis legal questions before the court)
7 (Patel, C.J.).

8 In the end, all that HM properly adduces to prove “quality control” is a pair of email
9 messages from HM to Planet Halo. Both messages seek “reassurance” from Planet Halo regarding
10 its license obligations, and both ask to review “samples” of Planet Halo’s relevant products. See
11 Ashby Supp. Decl., Exh. 8 (dated January 21, 2003, and February 19, 2003) (thanking Planet Halo
12 for “promoting a positive image”—though this “positive image” term is left unexplored—and noting
13 that, for fear of “a loss of rights,” it is “kind of important to check up” on Planet Halo’s use of the
14 mark). Viewed generously, these emails may imply a “minimal effort to monitor quality.”
15 Barcamerica, 289 F.3d at 597 (citation omitted). But the timing and the effect of the messages
16 actually weaken—rather than buttress—HM’s claims of legitimate quality control. All of HM’s
17 attempts to monitor Planet Halo’s use of the mark occurred more than six months after the license
18 agreement was entered. In fact, all of HM’s putative monitoring coincided with (and helped prepare
19 for) HM’s filing of this litigation—as if HM wished to cure the abandonment of its mark through a
20 series of tardy, dilatory, and facile quality control gestures. See Ashby Supp. Decl., Exh. 8. Such
21 “minimal effort[s]” do not qualify as sufficient quality control efforts. See Barcamerica, 289 F.3d at
22 597 (citation omitted).

23 They were inconsistent and unsuccessful as well. Cf. Emergency One, Inc. v. American
24 FireEagle, Ltd., 228 F.3d 531, 537 (4th Cir. 2000) (“[T]he owner of a trademark cannot defeat an
25 abandonment claim, as well as the purposes of the Lanham Act, by simply asserting a vague,
26 subjective intent to resume use of a mark at some unspecified future date.”). HM’s quality control
27 efforts consist of little more¹⁷ than a short series of curt, *pro forma* requests to review unspecified
28 Planet Halo products and materials. Id. Such transparent *post hoc* gestures are not sufficient to
revive an abandoned mark, nor do they function as adequate “quality controls.”¹⁸ See Barcamerica,
289 F.3d at 597–98. Since HM and Planet Halo entered the license agreement, HM has “failed to
demonstrate any knowledge of or reliance on actual quality controls used . . . , nor has it

1 demonstrated any ongoing effort to monitor quality.” Id. No formal agreement guides Planet Halo’s
2 use of the mark; nothing in the record establishes “when, how often, and under what circumstances”
3 HM can—or did—exercise any kind of quality control. Planet Halo and HM never maintained “the
4 type of close working relationship required to establish adequate quality control in the absence of a
5 formal agreement.” Id. (citations omitted).¹⁹ If anything, the record confirms that HM “played [no]
6 meaningful role in holding [any product] to a standard of quality—good, bad, or otherwise.” Id. at
7 598; see also McCarthy, § 18:48, at 18-82 (“A mark can become abandoned by any act or omission
8 of the registrant which causes the mark to lose its significance as an indication of origin.”); see
9 McCarthy § 18:55, at 18-94; TMT North America, Inc. v. Magic Touch GmbH, 124 F.3d 876, 885
10 (7th Cir. 1997). All that HM has done is attempt to revive an abandoned mark through uniformly
11 tardy, unsystematic, and unavailing means. Cf. Stanfield, 52 F.3d at 872 (“In cases in which courts
12 have found that a licensor justifiably relied on a licensee for quality control, some special
13 relationship existed between the parties.”); Wargo Decl., Exh. A (“This is absurd. There has been no
14 control.”). Such efforts do not change the character of the “naked” license between HM and Planet
15 Halo—and they do not restore HM’s forfeited state or federal rights.²⁰ See, e.g., Cleary v. News
16 Corp., 30 F.3d 1255, 1262–63 (9th Cir. 1994) (affirming the dismissal of related Lanham Act and
17 state law claims). For this reason, all of HM’s claims against Interland are untenable as a matter of
18 law. Interland’s motion for summary judgment must be granted accordingly.


19 CONCLUSION

20 Interland’s motion for summary judgment is GRANTED. HM’s claims are DISMISSED
21 WITH PREJUDICE.²¹

22 IT IS SO ORDERED.

23 Date:

24 *August 9, 2004*

25 
26 MARIEYN HALL PATEL
27 Chief Judge
28 United States District Court
Northern District of California

ENDNOTES

1. Unless otherwise noted, all facts in this section have been culled from the parties' moving papers.
2. According to HM, it has made these services available to its customers since March 14, 2002, the date on which it filed a statement of use for the "HALO"® mark.
3. HM's application was assigned serial number 75/870,390.
4. HM's mark received United States Trademark Registration Number 2,586,017.
5. The court recognizes, of course, that the filing of Interland's "blueHALO Architecture" application predated the actual registration of HM's "HALO" mark by twelve days. Compare Ashby Dec., Exh. 3 (dated June 25, 2002), with id. Exh. 5 (dated June 13, 2002).
6. The application was of an "intent-to-use" kind, signaling that Interland had not yet used the mark actively.
7. Interland's "blueHALO Architecture" application received the serial number 78/135,621.
8. According to plaintiff, the intent of the license was to permit Planet Halo to use the "HALO" mark in the development and marketing of a type of hand-held computer device, a product plaintiff deems distinct from and peripheral to the kind of services plaintiff purports to offer.
9. This "inherently deceptive" term incorporates—albeit implicitly—the standard set forth in 15 U.S.C. section 1055. That is, Ninth Circuit law and section 1055 are, with regard to confusion and deception, coextensive. It follows that Interland's failure to reference section 1055 in its motion, while odd, does not bespeak the type of misapplied standard or an ill-considered motion plaintiff vigorously claims. It simply displays specific attention to Ninth Circuit doctrine—particularly that discussed in this court's preliminary injunction order.
10. In much of his opposition to Interland's motion, plaintiff and his "expert" refer to the agreement as a "trademark" one, not as a license. See, e.g., Pl.'s Opp., at p. 4; Decl. of Franklyn, at pp. 2–4. The goal of this attempt to rename (or to recast) the agreement is clear: Once the agreement is seen as a *trademark*-related plan, the logic runs, it can hardly be construed as a naked license. But the problems with plaintiff's attempt are equally clear: It conflicts with the terms of the agreement itself (which is, of course, titled a "License"), and it contradicts what the court has already found. See, e.g., Decl. of Ashby, Exh. 8. The agreement between Planet Halo and HM was a *license*; calling it now something else does not change that legal fact.
11. As Interland notes in its moving papers, the license agreement also omits details regarding how and by whom determinations of "positive business value" are to be made.
12. Plaintiff now attempts to paint the Planet Halo–HM relationship as "amicable"—so much so, in fact, that the two were able to strike a deal "without the need for counsel." See Pl.'s Opp., at p. 6. This description is unsustainably charitable, and it ignores Ashby's tactical reminders to Planet Halo

1 that he is, in fact, an attorney. It also elides Mr. Angell's persistently caustic characterizations of
2 HM. To Planet Halo, HM was nothing short of "manipulative [and] dishonest," a "devil" attempting
3 to extract something undeserved from Planet Halo. The only reason attorneys were not retained was
4 that Planet Halo thought it best (and cheaper) to do a lawyer-less deal with the "devil." See Wargo
Decl., Exh. A (Angell Depo.) (noting that, through this "deal with the devil," Planet Halo hoped to
"move on" at less cost than "hiring a lawyer").

5 13. The fact that the relationship between HM and Planet Halo was largely adversarial (at least at
6 the time the license agreement was formalized) suggests that HM should have been *more* precise and
7 rigorous when crafting its supposed quality control terms. But HM was ultimately *less* careful,
8 relying entirely on two ambiguous terms and leaving Planet Halo to use the mark without
supervision for at least six months.

9 14. The relevant license has now been terminated. See Angell Depo, at Exh. 30.

10 15. The Ninth Circuit has noted that, before disregarding a declaration because of inconsistencies
11 with a deposition, the district court first "must make a factual determination that the contradiction
12 was actually a 'sham.'" See Scamihorn, 282 F.3d at 1086 (citation omitted). The court makes that
13 finding necessary here. Angell's declaration is wholly inconsistent with his deposition testimony,
14 and his explanation for this discrepancy (namely, that the declaration puts his deposition testimony
15 into "context") is entirely untenable. See Angell Decl. Nothing in Angell's declaration legitimately
16 "elaborat[es] upon, explain[s] or clarif[ies] prior testimony elicited by opposing counsel on
17 deposition." Messick v. Horizon Indus. Inc., 62 F.3d 1227, 1231 (9th Cir. 1995) (excusing "minor
18 inconsistencies that result from an honest discrepancy, a mistake, or newly discovered evidence
afford no basis for excluding an opposition affidavit"). Instead, it attempts to put an entirely
different—and inconsistent—gloss on the same set of facts, attempting to dress up the "devil" in
more appealing attire. All of the relevant conflicts remain transparently in place. Ninth Circuit law
does not permit declarants / deponents to change his testimony so glibly. Id.

19 16. Put another way, the court finds Ashby's declaration to be entirely conclusory; the court finds
20 Angell's declaration to be a "sham," inconsistent with his own deposition; and the court finds
21 Franklyn's declaration inadmissible under Federal Rules of Evidence 702 and 704 and strikes it
22 accordingly. The court does *not* find that Franklyn is necessarily unqualified to act as an expert in a
23 case like this. Cf. Thomas v. Newton Intern. Enterprises, 42 F.3d 1266, 1269 (9th Cir. 1994) (noting
24 that "Rule 702 is broadly phrased and intended to embrace" many types of experts). But Franklyn's
25 expertise is not well-placed here, see United States v. Ortland, 109 F.3d 539, 545 (9th Cir. 1997) ("A
26 district court does not abuse its discretion when it refuses expert testimony where the subject does
not need expert 'illumination' and the proponent is otherwise able to elicit testimony about the
subject."), and he is not permitted to make legal conclusions in the court's stead. See, e.g., United
States v. Scholl, 166 F.3d 964, 973 (9th Cir. 1999). What is more, the three declarations are nearly
identical, proving duplicative and extraneous as well. See Fed. R. Evid. 403.

27 17. HM's other attempts to contact Planet Halo were even more dubious—and equally unavailing.
28 After this court issued its preliminary injunction order, HM asked Planet Halo to renegotiate the

1 license agreement, offering waiver of the licensing fee as a sort tardy of *quid pro quo*. See Wargo
2 Decl., Exh. A. (noting that HM behaved as if it “was going to do [Planet Halo] this big favor about
3 reducing [the] fee”). Planet Halo refused this belated (and cynical) offer, but HM nonetheless
4 attempted to “confirm” this supposed renegotiation “agreement”—as well as a number of contacts
5 that never occurred—in writing. Planet Halo refused these advances as well, labeling HM’s conduct
6 pure “fabrication.” Id. (“I have had no plans, then, now or in the future, to give [HM] or anyone else
7 the right to confirm any of this stuff . . .”; “I never confirmed anything.”). Whatever else HM’s
8 efforts may be, they are not adequate attempts to exert “quality control” or to cure an abandoned
9 license.

10 18. It is necessary to note, moreover, that Planet Halo heeded none of HM’s requests, repeatedly
11 refusing to let HM review its materials or to visit Planet Halo’s premises. See Wargo Decl., Exh. B
12 (noting that HM was told that a visit “was not going to happen” at any time and that HM should “go
13 to hell”; adding that Planet Halo never authorized any inspection or review by HM).

14 19. Indeed, quite the contrary is true; in the last few years, Planet Halo’s and HM’s relationship has
15 been an antipathetic one, and Planet Halo has repeatedly rebuffed HM’s tardy efforts to revive its
16 abandoned mark.

17 20. This abandonment applies to HM’s mark generally, not simply to the use-types obliquely
18 referenced in the licensing agreement. Nothing in the license firmly limits Planet Halo’s use of the
19 mark, and HM has plainly attempted to cast the net of its mark as widely as possible. When it
20 abandoned its mark, then, it abandoned the mark outright.

21 21. It follows that HM’s motion for summary judgment—which was neither properly noticed nor
22 fully briefed—is denied.
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